MINUTES

GENERAL EMPLOYEES'
RETIREMENT COMMITTEE MEETING

THURSDAY - AUGUST 18, 2011 - 3:00 PM

PRESENT

Lori Helton – Chair
Vic Espinal
Larry Gordon
Councilwoman Barbara Kramer

ALSO PRESENT

Charlie Mulfinger – Graystone Consulting
Larry Wilson – GRS Actuary
Bob Sugarman – Sugarman & Susskind
Martin Lebowitz – Pension Administrator

ABSENT

Councilman Frantz Pierre

DEPARTMENT REPRESENTATIVES

Robert Grosswald – Sanitation
Marva Simmonds – Solid Waste
Barry Bottongano – Solid Waste

Lori Helton called the meeting to order at 3:30 p.m., followed by a roll call of Trustees.

I. GRS - ACTUARY

Larry Wilson discussed the following items:

Larry Wilson received a letter from the State saying that the assumption rate for investment return of 8.25% was a little high.

Larry Wilson suggested we do an experience study to review the plan and maybe we would need to lower the assumption rate from 8.25% to a rate after we complete an experience study.

After discussion, motion by Vic Espinal, seconded by Councilwoman Kramer, to approval GRS to do an Experience Study, with the request to the actuary to confer with city personnel, trustees and union officials on some of the assumptions that deal with employee behavior and to complete the Experience Study and 10/1/2011 Valuation Reports by February 16, 2012.
Motion carried unanimously.

Larry Wilson discussed SB 1128 which requires disclosure of present value of all local law plans' accrued vested, nonvested, and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return, in order to promote the comparability of actuarial data between local plans.

II. GRAYSTONE CONSULTING – Q/E 6/30/2011

Charlie Mulfinger presented the performance report, indicating a total portfolio market value on 6/30/2011 of $62,016,160 (including accrued income). This represents a net increase in value from the previous quarter of $320,427. The total asset allocation was reported to be 52.91% invested in domestic equities, 10.36% invested in international, 36.70% in fixed income and .03% in cash and equivalents. The total fund earned .51% for the quarter.

For the quarter ended 6/30/2011: Davis Hamilton under-performed Russell 1000 Growth Fund -1.07% vs. .76%. Buckhead under-performed Russell 1000 Value Fund -.63% vs. -.51%. GW Capital returned -.66% vs. -2.65% for the Russell 2000 Value Fund. MDT returned 2.84% vs. 1.61% for the Russell Mid Growth Fund. Harding Loevner returned 1.93% vs.39% for the MSCI AC World x US. Thornburg returned .50% vs. .39% for the MSCI AC World x US. Davis Hamilton Fixed Income earned 1.71% outperformed the BC Int. Gov/Credit of 2.12%.

Plan year results: Total return earned for plan year was 20.77%.

Charlie Mulfinger has requested an increase in his consulting fees from $22,500 to $27,500 per year with a 3 year guarantee.

After discussion, motion by Councilwoman Kramer, seconded by Vic Espinal, to approve the increase of consulting fees for Graystone from $22,500 to $27,500 per year with a 3 year guarantee.

Motion carried unanimously.

III. PENSION ATTORNEY REPORT

Bob Sugarman reviewed his handout of Legislative Updates as of August 2011 (See attachment).
Bob Sugarman stated that Pedro Herrera and he have been attending the City Council Meetings.

IV. APPROVAL OF MINUTES – MAY 19, 2011

Motion by Larry Gordon, seconded by Vic Espinal, to accept the May 19, 2011 minutes for the General Employees' Retirement Plan Meeting.

Motion carried unanimously.

V. APPROVAL OF INVOICES

Motion by Councilwoman Kramer, seconded by Vic Espinal, to approve payment of the following invoices:

Davis Hamilton Jackson – Equity Quarterly Mgt. Fees	$16,276.33
Davis Hamilton Jackson – Fixed Quarterly Mgt. Fees	14,814.35
Buckhead Capital - Quarterly Management Fees	16,670.48
Morgan Stanley Smith Barney – Qtly. Consulting Fees	5,625.00
GW Capital - Quarterly Management Fees	6,843.12
Harding Loevner – Quarterly Management Fees	6,788.00
Thornburg Management – Quarterly Management Fees	5,052.84
MDT - Quarterly Management Fees	7,500.81
GRS – Actuaries Fees	5,590.00
Sugarman & Susskind – Legal Fees	8,625.00
Salem Trust – Custodial Fees	7,717.79
	$101,503.72

Motion carried unanimously.

Vic Espinal discussed that the General Employees are concerned about when council members discuss freezing or terminating the plans. Vic Espinal was glad that there was a training session early today in which Council Members attending as well as Bob Sugarman and Larry Wilson reviewing how the pension plans works. Vic Espinal was also concerned about a situation when you have a trustee on the Police & Fire Plan committee that does not understand what a DROP plan is and wrongly may have thought that the City was contributing for the DROP members.

Robert Grosswald asked about any update on the merger of the Management Retirement Plan into the General Retirement Plan. As of this date nothing has been discussed.

The next regularly scheduled quarterly Board meeting will be held on November 22, 2011 at 3:00 p.m. Meeting was adjourned at 5:15 p.m.

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Martin Lebowitz, Pension Administrator